



CITY OF ATLANTA

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On September 14th, the Mayor signed the ordinances approved by City Council that bring about needed changes to the City's pension funds, **"2005 Amendments"**.

General Employees Pension Plan (Defined Benefit):

1. 10 year vesting
2. An increase in the multiplier from 2.0 to 2.5 for each year of service
3. Adoption of a "30 and out" provision (This allows employees with 30 years of service or more to retire now with no age penalty or age adjustment)
4. 80% (average of three last year's salary or three highest year's salary) cap on the pension calculation

Before the beginning of November, we will be distributing new enrollment cards to all members of the defined benefit plan through departmental Human Resource personnel. Each member will be required to either elect to join the new plan or decline to join the new plan.

General Employees Defined Contribution Plan (applies to non-uniformed employees hired after January 1, 2001):

1. All employees pay grade 17(*) or less and all Classified employees (employees eligible for overtime) will have an opportunity to move from the defined contribution plan to the defined benefit plan.

(*) Pending legislation.

We are in the process of obtaining the services of an actuary to determine an estimation of the employee's benefit under both plans. Once we have this information, we will be contacting all of the affected employees to discuss their options. Our plan is to have this done before the end of the year.

Firefighters Pension Plan:

1. 10 year vesting
2. An increase in the multiplier to 3.0 for all years of service
3. Adoption of a "30 and out" provision (This allows employees with 30 years of service or more to retire now with no age penalty or age adjustment)
4. 80% (of salary) cap on the pension calculation

Please contact Chiquita Bradley, ASI, at 770-934-3953, ext 1215, for details

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For Police Officers, the change is:

1. 10 year vesting

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Because of the 80% cap, all members of the General Employees and Firefighters Pension Funds **must** elect to be covered by the amendments or to decline to be covered by the amendments. Since the only change to the Police Officer's Pension Fund is the 10 year vesting, Police Officers will not have to elect or decline.

For General Employees, this open enrollment will be handled by the City's Pension Department and will be done in three phases:

Phase 1 – Employees who are eligible for the 30 and out now and wish to take advantage of that provision and retire within the next 2-3 months

- Re-enrollment forms are available from the Finance Department, 11th floor, City Hall Tower and the Pension Department. In addition, you may contact Ray Zies, Controller, at rzies@atlantaga.gov for an electronic copy.
- Take the completed form to your Departmental Human Resource Office for processing.

Phase 2 – Employees who are currently in the General Employees Pension Plan and want to take advantage of the 2005 amendments noted above

- Re-enrollment cards will be distributed with paychecks the middle of November.
- We will ask the individual departmental human resource personnel to collect the cards and forward them to the Pension Office when all cards have been returned.

Phase 3 – Employees currently in the Defined Contribution Pension Plan (DC) and want to move to the Defined Benefit Pension Plan (DB) to take advantage of the 2005 amendments noted above

- Employee who are eligible for overtime (classified) and all employees Pay Grade 17 and below will be offered a one-time opportunity to move from the DC plan to the DB plan.
- An actuary will prepare an estimate of the employee's retirement benefits under the DC plan and the DB plan (This is estimated to take 3-4 weeks).
- Once that actuarial estimate is prepared each employee eligible will be contacted and your estimate will be discussed with you.
- Along with that estimate, the employee will receive an enrollment card that will allow them to move to the DB plan or stay in the DC plan.

Frequently Asked Questions

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- Can I walk into the Pension Office and get a pension estimate?
 - No, the volume of estimate requests is too great. You should request a pension estimate in writing and include your relevant information. A Pension Department representative will contact you to set up an appointment to come in and discuss your estimate.
- How many estimates can I get a year?
 - We are asking that you limit your requests to twice a year. Your pension estimate does not change materially during the year.
- If I don't move now, will I get another chance in the future?
 - No, once this open enrollment is closed, you will not get another chance
- Are the age penalty and the age adjustment still in effect?
 - Unless you are eligible for the 30 and out provision in the General Employee Pension Plan, .025% age adjustment is still in effect for every month the employee is under the normal retirement age of 60. There is an additional .025% age penalty for every month for the first five years the employee is under 60.
- What pension plan am I in?
 - Generally speaking, if you started after July 1, 2001, you are in the Defined Contribution Plan. Otherwise, you are in the Defined Benefit Plan. Unless you started before July 1, 2001 and opted to move into the Defined Contribution plan in late 2001 and early 2002 when City Council a one-time opportunity to change plans.
 - If you are in the Defined Benefit plan, then you are either covered by the 1962 amendment, the 1978 amendment or the 1986 amendment. If you do not know, which amendment you are under, you should contact the Pension Department.
- Are we still eligible for insurance if we move to the new plan (2005 Amendment)?
 - If you are an active employee in the Defined Benefit Plan when you retire you are eligible for medical insurance. Your contribution will be the same as if you are an active employee. As insurance premiums increase, your contribution will increase.
- If I am vested in the Defined Benefit Plan, can I leave before I am age 60 and still be eligible for a retirement at age 60?
 - If you do not withdraw your contributions, with either the 10 year vesting in the 2005 amendment for the General Employees Pension Plan or the 15 year vesting in the old plan, you can defer your retirement until you are 60 if you want to leave before age 60 and don't want to pay the age adjustment and age penalty. However, you are **not** eligible for the medical insurance.
- If I am not currently enrolled in the City's Medical Insurance Plan, can I still enroll in the retirees Medical Insurance when I retire?
 - No, you must be a member of the City's Medical Insurance Plan as an active employee to be eligible for the retiree medical insurance.

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- What's the difference between the Defined Benefit Plan and the Defined Contribution Plan?
 - Under the Defined Benefit Plan, you are guaranteed a pension check for the rest of your life based on a formula that multiplies the average of your last three years salary (or highest three year's salary) times your years of service times the multiplier (.02 in the current plan and .025 in the 2005 amendment). You are also eligible for COLA raises approved by the Pension Board
 - Under the Defined Contribution Plan, the employee contributes 6% and the City contributes 6%. These contributions are invested at the employee's discretion. Once the employee retires, whatever is in their account when they retire is what their monthly annuity is based on. When the money in that account is expended the annuity stops
- Can I use my unused sick leave to add to my years of service to take advantage of the 30 and out?
 - No, the Ordinance requires 30 years of actual service to be eligible. Any unused sick leave will be added on to the years of service, but you must have actually worked 30 years to be eligible.
- If I move to the Defined Benefit plan from the Defined Contribution plan because I am currently pay grade is 17 and in the future I get a promotion will I be required to move back to the Defined Contribution plan?
 - No, once you elect to move to the Defined Benefit plan, you will be allowed to stay in the Defined Benefit plan no matter what your classification or pay grade is.